



The Real Facts

***A Critical Analysis of the Bush Administration's Claims on CAFTA
Prepared by the Democratic Staff of the Ways and Means Committee***

June 13, 2005

Bush Administration Uses Double Standard In Calling on CAFTA Countries to Change Only *Certain* Domestic Laws

CHANGE YOUR LAWS NOW: CAFTA requires countries to change their laws to conform to U.S. or international standards in a wide variety of areas.

DON'T BOTHER TO CHANGE YOUR LAWS AT ALL: But when it comes to working people, the Bush Administration believes an "enforce your own laws" standard is good enough.



Intellectual Property

In December 2004, Guatemala passed a new law to limit the protection of pharmaceutical test data in order to speed the introduction of generic drugs. Under intense pressure from the United States and as a precondition for submitting CAFTA implementation legislation to Congress, the law was repealed in March 2005. This change to law threatens Guatemala's ability to utilize the WTO agreements to deal with public health emergencies such as AIDS.



Financial Services

By January 1, 2007, Costa Rica is required to establish an independent insurance regulatory authority and allow foreign insurance service suppliers to compete effectively on a non-discriminatory basis.



Telecommunications

CAFTA requires Costa Rica to enact a new legal framework and new laws to strengthen and modernize the Costa Rican Electricity Institute (ICE), its current state-owned power and telecommunications company. CAFTA requires the laws to allow for investment into private network services, Internet services and wireless services within the next few years.



Numerous Other Areas

CAFTA will lead to numerous other changes in the laws of the 5 Central American countries and the Dominican Republic – including in the areas of government procurement, intellectual property, services and e-commerce.



Central American Labor Laws

CAFTA-DR requires only that countries "enforce their own laws" dealing with workers' rights. Central American labor laws do not have to conform to any international standards and laws can even be weakened to allow exploitative child labor or forced labor.